

Blue Nile

Business, Customers



1. Looking into the future, the cost of products, a well executed customer service along with information about products, web platforms, lean operating, fast delivery time and reliability will be key factors in determining a company's success in the online jewelry industry. Consumers want the best quality product at the best price and as fast as possible. In today's society consumers are educated enough to research before purchasing; this ensures a company needs to have accurate, well organized information regarding their products.

Being an online retailer, a company needs to provide all the same factors as a storefront would, giving the consumer the same experience online. With this comes comfort for the consumer making big purchases online. A good justification of this is what Blue Nile's CEO stated " We have established and are continuing to develop a brand based on trust, guidance and value, and we believe our customers view Blue Nile as a trusted authority on diamonds and fine jewelry. Our goal is for consumers to seek out the Blue Nile brand whenever they purchase high quality diamonds and fine jewelry"

2. Blue Nile's strategy is to attract customers by offering high quality diamonds and fine jewelry at competitively low prices and providing their consumers with a host of useful information and guidance throughout their purchasing process. This being done only through an online website. Their cost-based advantage strategy as well as some unmatched resource strengths has helped them gain a substantial share and much brand recognition in the market along with being named number 48 in the " Top 400 guide to Retail Websites". The reason Blue Nile has become so successful is because of how they formulated their supply chain.

The company bypassed the markups of traditional layers of diamond wholesalers allowing them to obtain the most product offerings more cost efficiently along with their suppliers representing more than half of the total supply of high-quality diamonds in the United States. Not only did this help lower costs, but Blue Nile didn't actually hold any inventory. They wouldn't buy from a supplier until an order was made from a consumer, ultimately minimizing costs associated with holding inventory. This successful business model has led them to making upwards of 251 million in sales in the year 2006. Blue Nile is striving to achieve this cost-based advantage strategy and be a top leader in the online retailer of jewelry.

3. As the article explains, Blue Nile has developed a very successful business model offering competitively attractive prices and providing in-depth information on all their products. In my opinion the only thing I don't like about their business model is the non real-time viewing of their products like other competitors attribute. What I mean by this is walking into a store and viewing the product for your own benefit. Sometimes that experience helps make the sale but in the long run adds more cost to the products, which does not correspond to Blue Nile's strategy. Overall I like how Blue Nile is thinking and am interested to see where they go in the future.